

Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 16285 302331Z
ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 PA-01 PRS-01 /080 W
-----310752Z 038161 /21

R 302301Z DEC 76
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 9455
INFO TRSY WASHDC
ALL US CONSULATES IN MEXICO BY POUCH

LIMITED OFFICIAL USE MEXICO 16285

E.O. 11652: N/A
TAGS: EFIN ELAB MX
SUBJ: MINIMUM WAGES

BEGIN UNCLASSIFIED.

1. SUMMARY: NEW MINIMUM WAGES TO BE EFFECTIVE JANUARY ONE, WILL BE 9 OR 10 PERCENT ABOVE PREVIOUS LEVELS. END SUMMARY.
2. MINIMUM WAGE COMMISSION ANNOUNCED ON DEC 29 THAT MINIMUM WAGES BELOW 100 PESOS A DAY WOULD BE INCREASED 10 PERCENT AND MINIMUM WAGES ABOVE 100 PESOS A DAY WOULD BE INCREASED 9 PERCENT. INCREASES TO BE EFFECTIVE JANUARY ONE.
3. NEW MINIMUM WAGE IN URBAN AREAS OF THE FEDERAL DISTRICT WILL BE 106.4 PESOS PER DAY, 35 PERCENT ABOVE WAGE THAT BECAME EFFECTIVE JANUARY 1, 1976, WHEN URGAN MINIMUM WAGE FOR FEDERAL DISTRICT WAS INCREASED 24 PERCENT. RECALL THAT MINIMUM WAGES INCREASED 23 PERCENT, EFFECTIVE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 16285 302331Z

OCT 1, 1976. WHEREAS MINIMUM WAGE IN FEDERAL DISTRICT DURING 1975 WAS THE EQUIVALENT OF \$5.07 PER DAY (63.4 PESOS), IT WILL BE THE EQUIVALENT OF \$5.32 AT AN EXCHANGE RATE OF 20:1. NEW MINIMUM WAGES ARE SUPPOSED TO BE IN EFFECT UNTIL DECEMBER 31, 1977.

4. MINIMUM WAGES DIFFER FROM REGION TO REGION AND BETWEEN URBAN AND RURAL AREAS WITHIN REGIONS. THE HIGHEST IS IN THE STATE OF BAJA CALIFORNIA NORTE (TIJUANA) WHERE IT IS NOW FIXED AT 133.9 PESOS. THE LOWEST IS IN THE STATE OF OAXACA WHERE IT IS 51.1 PESOS IN RURAL AREAS. MINIMUM WAGES ARE ALSO SET FOR A NUMBER OF SPECIALIZED TYPES OF WORK. FOR EXAMPLE, THE MINIMUM WAGE FOR AUTO MECHANIC IN THE FEDERAL DISTRICT WILL BE 161 PESOS PER DAY.

5. LABOR LEADER FIDEL VELASQUEZ SAID NEW MINIMUM WAGES WERE ACCEPTABLE AND PERMITTED WORKERS TO RECOVER LOST PURCHASING POWER. HE SAID THE NEW WAGES WOULD APPLY TO APPROXIMATELY TWO MILLION WORKERS.

6. EXCELSIOR EDITORIALIZED UNDER HEADING OF "INSUFFICIENT MINIMUM SALARY". IT SAYS THE NEW WAGE LEVELS REFLECT THE TENDENCY TO STABILIZE THE ECONOMY BUT DO NOT PERMIT WORKERS TO ABSORB THE INCREASE IN THE COST OF LIVING DURING 1976, WHICH IT SAYS EXCEEDS THE TOTAL OF THE EMERGENCY MINIMUM WAGE INCREASE AND THE PRESENT INCREASE. EDITORIAL CONCLUDES BY CALLING FOR BASIC REFORM OF ECONOMIC POLICIES, BUT DOES NOT SAY WHAT THIS SHOULD BE. END UNCLASSIFIED.

BEGIN LIMITED OFFICIAL USE

7. ASSUMING THAT ALL WAGES HAVE INCREASED MORE OR LESS IN LINE WITH THE DAILY AVERAGE WAGE IN THE FEDERAL DISTRICT, THE DOLLAR COST OF WAGES WILL BE SOMEWHAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MEXICO 16285 302331Z

HIGHER IN EARLY 1977 THAN THEY WERE IN 1975. IT IS VERY LIKELY THAT REAL WAGES IN EARLY 1977 WILL BE GREATER THAN THEY WERE IN 1975, THOUGH SUBSEQUENT INFLATION MAY ERODE THIS. THE INCREASE IN THE NATIONAL CONSUMER PRICE INDEX FROM DECEMBER 1975 TO NOVEMBER 1976 WAS 24 PERCENT. ONE COULD ARGUE THAT NO EMERGENCY WAGE INCREASE WAS NECESSARY IN LATE SEPTEMBER. IT APPEARS INEVITABLE THAT THE SEPTEMBER INCREASE COUPLED WITH THE NEW INCREASE WILL ADD TO INFLATIONARY PRESSURES IN 1977. ONE CAN ONLY PRESUME THAT POLITICAL FACTORS OUTWEIGHED ECONOMIC CONSIDERATIONS IN THE RECENT DECISION.
JOVA

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WAGE CONTROLS, MINIMUM WAGE
Control Number: n/a
Copy: SINGLE
Draft Date: 30 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MEXICO16285
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D770001-0293
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976124/aaaaacwy.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 21 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 JUL 2004 by BoyleJA>; APPROVED <05 NOV 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MINIMUM WAGES BEGIN UNCLASSIFIED.
TAGS: EFIN, ELAB, MX
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006